

Application No. 09/849448(Docket: DT.0104)
37 CFR 1.111 Amendment dated 02/15/2006
Reply to Office Action of 11/16/2005

AMENDMENTS TO THE SPECIFICATION

Please delete the section entitled "SUMMARY OF THE INVENTION" in its entirety and substitute the following section therefor:

SUMMARY OF THE INVENTION

[0012] The present invention provides a superior technique for configuring an optimization scenario, determining an optimum promotion strategy for products within a product category, and for displaying the optimum promotion strategy. Contrasted with present day optimization systems that consider only gross figures in their respective optimizations, promotion plans according to the present invention can be optimized to maximize merchandising figures of merit (e.g., net profit) that take into account demand chain costs associated with the products.

[0013] In one embodiment, an apparatus is provided for determining an optimum promotion plan for merchandising of products for sale. The apparatus includes a scenario/results processor that enables a user to prescribe an optimization scenario, and that presents the optimum promotion plan to the user, where the optimum promotion plan is determined by execution of the optimization scenario, and where the optimum promotion plan is determined based upon estimated product demand and calculated activity based costs, where the calculated activity based costs include fixed and variable costs for the products for sale. The scenario/results processor has an input/output processor and a scenario controller. The input/output processor acquires data corresponding to the optimization scenario from the user, and distributes optimization results to the user. The scenario controller is coupled to the input/output processor. The scenario controller controls the acquisition of the data and the distribution of the optimization results in accordance with a promotion plan optimization procedure.

[0014] One aspect of the present invention features a method for providing an interface to an apparatus for optimizing a promotion plan for merchandising products. ~~the method~~ The method includes utilizing a computer-based scenario/results processor within an optimization server to present a sequence of data entry templates to a user, whereby the user specifies an optimization scenario, the optimization server optimizing the promotion

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plan according to modeled market demand for the products and calculated demand chain costs for the products, where the calculated demand chain costs include fixed and variable costs for the products; and generating a plurality of optimization results templates and providing these templates to the user, wherein optimum promotion events and optimum supplier offers are presented. The utilizing includes first providing a promotion event configuration template, for prescribing potential promotion events; second providing a supplier offer configuration template, for prescribing potential supplier offers; and third providing a promotion scenario configuration template, for associating the potential promotion events to the products. The third providing includes specifying a forward buy method; enabling/disabling certain ones of the potential supplier offers; adding rules and constraints to the optimization scenario; and indicating store merchandising capacities.